Allies Worried by Bonn Spy Case And 'Exaggeration'

By PAUL LEWIS Special to The New York Times

BRUSSELS, Dec. 14-Western defense officials expressed concern today over the possible effect of the latest West German spy case on allied military cooperation but warned against exaggerating the damage done to the security of the North Atlantic Treaty Organization.

Asserting that some newspaper accounts contained exaggerations, the officials said they assumed the Russians already know much of what the three former employees of the West German Defense Ministry were said to have passed

"Confirmation is valuable to the other side, but it is not that great a loss to us; was how one NATO diplomat put it.

At the same time, there was genuine

concern that West Germany had suffered yet another spectacular security failure, that this would damage military cooperation with the United States and other

allies and would give fresh ammunition to those in America who want to deny European members of the North Atlantic Treaty Organization new weapons, such as the cruise missile.

Last Tuesday the West German newspaper Frankfurter Allgemeine Zeitung dramatically reawakened worldwide interest in this latest West German spy case by asserting, on the basis of a secret Government report, that it is the biggest since World War I,I involving the loss of over 1,000 top-secret military documents to the East.

The newspaper's revelations, which were confirmed by a Defense Ministry spokesman, provoked a political crisis in West Germany, with calls for the resignation of Defense Minister Georg Leber. In addition, many European newspapers warned that NATO's defenses were seri-

ously compromised.
"NATO missile site secrets 'blown' by Bonn spies," was the headline on a front-page story this morning in The Daily by the three persons who were arrested Telegraph in London. "Bonn spying case in June 1976.

stuns NATO allies," said The International Herald Tribune in Paris.

Several senior NATO officials here, who requested anonymity, argued today that the damage done to NATO defenses was less serious than such press accounts implied. They also speculated that political rivalries in West Germany might account for at least some of the heat being generated there by the Frankfurt newspaper's revelations.

"I don't want to play down the seriousness of the German spy case," said the ambassador of one major NATO country at the alliance headquarters here, "but frankly, public discussion of the damage done is becoming grossly exaggerated."

Other officials made similar comments.

The NATO officials argued that they had always assumed the Soviet Union knew, or at least suspected, much of the information about the alliance itself that